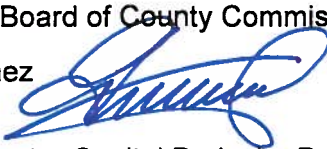


Memorandum



Date: August 25, 2017

To: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Joseph Caleb Center Capital Project – Budget Shortfall

This attached memorandum is provided in order to update you on the status of the Joseph Caleb Center capital project. It has been recently discovered by County staff that the project budget will be over expended over the course of the next three fiscal years, and will require a change order for the project to be completed. The Internal Services Department (ISD) Director advised me of this situation this week, and I am writing to immediately inform you and describe the necessary next steps.

The FY 2017-18 Proposed Budget and Multi-Year Capital Plan currently lists the Joseph Caleb Parking Garage/Tower Courtroom Renovations Project (Volume 3, Page 64, #3028110) with a total project budget of \$28.104 million. At this time, it has been estimated that the project has at least a \$3.5 million shortfall. The magnitude of this shortfall demonstrates the gross negligence and mismanagement of this project by certain individuals within the Internal Services Department. The project manager has a fiduciary responsibility to our constituents to ensure that the proper budgetary controls are in place for this important project, and supervisors should have ensured compliance with the established budget control procedures. The Internal Services Director is undertaking at least 7 different disciplinary actions as a result of this mismanagement, up to and including termination.

In this instance, an established monthly project reconciliation procedure was not adhered to, and the result is a project that is underway that cannot be completed without a change order. I will be working with the Office of Management and Budget to identify funding within the ISD operating budget, and possibly delaying a number of facilities-related projects, and looking at potential savings within the project scope in order to make the project whole by its completion date scheduled for FY 2019-20. A change order to increase the project budget accordingly will be brought before the Board in the coming months.

Clearly, I am not pleased with the way this project has been managed, but I am pleased with the way my leadership team has handled it. Solutions and corrective actions are already underway, including the establishment of a Project Budget Review Team with members of Finance, Audit and Management Services, and the support of the Office of Management and Budget assisting in a project-by-project comprehensive review of all expenditures; mandatory retraining of all project managers; disciplinary actions as previously described; and a Management Watch period of increased oversight over the Design and Construction Services division. These and other investigative analyses will continue, and you will be kept informed of any additional information.

Should you require additional information, please contact Tara C. Smith, Director of the Internal Services Department, at 305-375-5893, or me directly.

Attachment

- c: Honorable Bertila Soto, Chief Judge, Eleventh Judicial Circuit
- Abigail Price-Williams, County Attorney
- Geri Bonzon-Keenan, First Assistant County Attorney
- Edward Marquez, Deputy Mayor/ Chief Financial Officer
- Jennifer Moon, Director, Office of Management and Budget
- Tara C. Smith, Director, Internal Services Department


Memorandum



Date: August 25, 2017

To: Honorable Carlos A. Gimenez,
Mayor

Through: Edward Marquez,
Deputy Mayor/Chief Financial Officer

From: Tara C. Smith 
Director, Internal Services

Subject: Joseph Caleb Center Capital Project – Budget Shortfall

As discussed, I am writing to notify you of my concerns related to the Joseph Caleb Center capital project that the Internal Services Department (ISD) is managing. In recent weeks, I was informed by the Office of Management and Budget (OMB) that this project may experience a budget shortfall before it is completed. Upon further review by my staff, it has been confirmed that certain areas of this project's budget have been over committed by approximately \$3.5 million, and the project can only be completed if a change order is approved by the Board of County Commissioners.

This is the result of negligence by the ISD Project Manager who was assigned to this project in 2012. Before I became Director of ISD, I was the Division Director over the Design and Construction Services division where these capital projects are managed. I realized at that time that our project managers needed additional training and understanding of their project budgets, since our internal work order system does not communicate with the County's financial system of record, FAMIS. From 2013 - 2014, I conducted a targeted effort to train and equip all ISD project managers with training and access to FAMIS, required they attend mandatory trainings, and worked closely with OMB and the Finance Department to create a standard worksheet that all project managers must use on a monthly basis to reconcile their project budgets.

It has become clear that the Joseph Caleb Center's project manager has failed to reconcile the expenditures on this project to the overall budget approved by the Board in the County's capital budget (FY2017-18 Proposed Budget and Multi-Year Capital Plan Volume 3, Page 64, #3028110). This shows a complete disregard for the responsibility that public servants hold to be good stewards of our taxpayers' dollars. I had established controls and requirements that every project manager and supervisor was directed to follow, which have failed. As a result, I am working closely with the Human Resources Department on the proper format of the disciplinary actions that must follow. At this time, I have identified 7 individuals who had a role in the oversight of this project and will receive disciplinary action accordingly, up to and including termination.

This is a major failure on the part of my department. I trust that you know how very seriously I am taking this, and how extremely disappointed I am. I have implemented a number of measures, with the help of OMB and Finance, to conduct a comprehensive audit on this project, as well as others, to ensure there are no further risks of budgetary shortfalls.

I will continue to keep you closely informed of any developments, and if you require any additional information at this time, please contact me directly.